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**Employment
After
Retirement**
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*California
Public Employees'
Retirement System*

What You Should Know Before Working After Retirement

Consequences of Unlawful Employment

After you have retired, you may think about going back to work or taking a part-time job to earn some extra money or to occupy your time. There are some basic rules you need to know about working after retirement so you will not jeopardize your CalPERS retirement benefits. So be sure to review this information carefully.

A retiree can work for a CalPERS employer (an employer who contracts with CalPERS for retirement benefits) without reinstatement:

- As a temporary employee with certain restrictions.
- or
- If the position is specifically exempt from restrictions by CalPERS law.

You do not accrue service credit or otherwise acquire retirement rights for employment as a retiree. Appointment to a permanent position, whether part time or full time, with a CalPERS employer requires reinstatement from retirement into active employment.

Before accepting employment with **any** employer, it is your responsibility to:

- Ask if they contract with CalPERS for retirement benefits.
- Inform them you are a CalPERS retiree.
- Ensure the employment will be in compliance with CalPERS law.

Once hired, it is the responsibility of both you and your employer to ensure your employment remains in compliance and does not jeopardize your retirement benefits during the time you work there.

Employment found to be in violation of CalPERS law (unlawful employment) can result in your mandatory reinstatement from retirement. If you are employed in a permanent full-time or a permanent part-time position with a CalPERS employer before applying to CalPERS for voluntary reinstatement, you can be subject to mandatory reinstatement, retroactive to the date the unlawful employment began. If you're reinstated, you will be required to reimburse us the amount of retirement allowance you received during the period of unlawful employment.

In addition, you will be required to pay the retroactive CalPERS member contributions, plus interest, equal to the amount that would have been paid had your reinstatement occurred timely. You could also be assessed the cost of any administrative expenses incurred to process your mandatory reinstatement, to the extent you are determined to be at fault.

Likewise, the CalPERS employer who employed you unlawfully will be required to pay retroactive employer contributions, plus interest, equal to the amount of employer contributions that would have been paid had your reinstatement occurred timely. Your employer could also be assessed the cost of any administrative expenses incurred to process your mandatory reinstatement, to the extent the employer is determined to be at fault.

What You Should Know Before Working After Retirement

Employment While Retired

Eligibility to Work for a CalPERS Employer (Service Retirees Only)

Temporary employment with a CalPERS employer is not allowed if you are younger than normal retirement age, unless **both** of the following conditions are met:

- There was no verbal or written agreement to return to work as a retiree between you and the employer before you retired.
- There is a bona fide break in service of 60 days between your retirement date and the date your temporary employment will begin.

Normal retirement age for CalPERS purposes is the benefit formula age shown in your retirement formula (i.e., age 55 for the 2% at 55 formula). If your retirement is based on more than one benefit formula, the highest benefit formula age determines your eligibility.

This restriction, which is part of the Retirement Law, complies with IRS tax regulations prohibiting in-service distributions of pension benefits.

For those under normal retirement age, the only exception to the restriction is for specific emergency situations (Government Code Section 8558).

If you have a service retirement and have reached your normal retirement age, you are eligible to work temporarily for a CalPERS employer.

Employment or Co-Employment Through a Third Party Employer (All Retirees)

If you are considering employment with a CalPERS employer who recruits employees and retirees through

a third party employment agency, contact CalPERS. If you will be an employee of a CalPERS employer under common-law principles, your employment could be subject to CalPERS restrictions, even if a third party employer pays your wages or salary.

State or Public Agency Employers (All Retirees)

You can work for a State agency or public agency employer without reinstatement if **all** of the following conditions are met:

- You have skills needed to perform work of limited duration, or your employment is needed during an emergency to prevent stoppage of public business.
- Your temporary employment will not exceed 960 hours in a fiscal year (each July 1 to June 30).
- The rate of pay you will receive will not be less than the minimum, nor exceed the maximum that is paid to employees performing comparable duties.

School Employers (All Retirees)

You can work for a school employer without reinstatement if **all** of the following conditions are met:

- You have skills needed to perform work of limited duration, or your employment is needed during an emergency to prevent stoppage of public business.
- Your temporary employment will not exceed 960 hours in a fiscal year (each July 1 to June 30).
- The rate of pay you will receive will not be less than the minimum, nor exceed the maximum that is paid to employees performing comparable duties.

What You Should Know Before Working After Retirement

Temporary vs. Permanent Appointment

Because many permanent positions of school employers are part time (require less than 960 hours of work per fiscal year), there is often some confusion about retiree employment in these positions. If you intend to work as a permanent employee of any CalPERS employer, even if the position requires less than 960 hours of work per year, the law requires reinstatement into active employment. If you intend to remain retired, you need to make sure your appointment by any CalPERS employer is temporary.

California State University (CSU) Employer, Academic Staff (All Retirees)

You can work as a member of the academic staff of the CSU without reinstatement if your temporary employment does not exceed, in any fiscal year, a total of 960 hours for all CalPERS employers, or 50 percent of the hours you were employed in the fiscal year prior to retirement.

If You Are Paid Unemployment Insurance for Work as a Retired Annuitant

The Retirement Law prohibits temporary employment of a retiree for a CalPERS employer if, during the 12-month period prior to reappointment, you received unemployment insurance compensation (based on prior temporary employment with the same employer). If you are a working retiree and it is discovered that you have been paid unemployment insurance based on prior temporary employment with that employer, your employment must be terminated

on the last day of the current pay period, and you will not be eligible for reappointment as a retired annuitant by that employer for a period of 12 months following the termination of the current temporary employment. CalPERS auditors have incorporated this requirement into the random auditing criteria for employers. This restriction applies to retirees working for a State agency or public agency employer. A violation will not result in automatic reinstatement from retirement.

Positions Not Subject to 960-Hour Limit

Employment is permitted in certain positions without reinstatement and without the 960-hour per year limit.

Juror or Election Officer

You can serve as a juror or election officer and receive fees for such service.

School Crossing Guard

You can be employed as a school crossing guard and receive wages for such service.

Preparation for Litigation/Testimony for Former Employer

If your former employer needs your services to prepare for potential or actual litigation, or to testify in trial proceedings or at a hearing, you can perform that work, and be paid per diem and travel expenses. You cannot be paid a per diem rate higher than the rate paid by the employer to others for similar services.

What You Should Know Before Working After Retirement

Elective Positions

Your employer must reduce the per diem amount paid to you by the daily equivalent of your monthly retirement benefit. Your employer must contact CalPERS to get the amount of your monthly benefit to calculate the per diem payable to you.

If you're a State retiree, your employment must be approved by the Department of Personnel Administration. If you're a public agency or school retiree, your employment must be approved by a governing body of the CalPERS-covered employer.

Appointive Positions

Appointive Member of a Public Agency Governing Body

You can serve as an appointive member of the governing body of a public agency; your compensation cannot exceed \$100 per month.

Appointment as Member of a Board, Commission, or Advisory Committee

You can serve as a member of any board, commission, or advisory committee if you are appointed to that position by the Governor, Speaker of the Assembly, President Pro Tempore of the Senate, director of a State department, or governing board of the public agency.

Appointment by the Legislature or a Legislative Committee

You can serve in a position deemed temporary in nature upon appointment by the Legislature, either legislative house, or a legislative committee.

You can serve in an elected office; however, any portion of your retirement allowance based on previous service in the same elected office will be suspended for as long as you remain in office (while retired).

For more information about possible allowance suspension, please contact us.

Independent Contractor

You can be hired as an independent contractor for a CalPERS employer. However, if you will be an "employee" of that CalPERS employer, under common-law principles, your employment can be subject to restrictions. If you have questions on independent contractor status, please contact CalPERS.

Employment While Disability Retired

If you are retired because of a disability, there are certain conditions when you can work more than 960 hours for a CalPERS employer.

What You Should Know Before Working After Retirement

If your employment will be with a **non-CalPERS** employer:

- Your employment must be in a position significantly different from the job from which you were found to be disabled.
- You can work for any employer and continue to receive disability retirement benefits. There is no limit on the number of hours you can work; however, there is a limit on the amount you can earn if you are under age 50 - unless your retirement was an industrial disability. If you are subject to the earnings limitation, your retirement allowance will be reduced whenever the total of the employer portions of your CalPERS pension, and your new salary exceeds the amount of the current compensation paid to those in the classification from which you retired.
- You must complete a ***Disability Retiree's Report of Earnings Outside Employment*** form either monthly or quarterly. Non-compliance can result in an overpayment of your retirement benefits, which must be repaid to CalPERS.
- Prior approval of employment is not required.

If your employment will be with a *CalPERS* employer:

- Your employment must be in a position significantly different from the job from which you were found to be disabled.
- You must have approval from CalPERS before you begin employment.
- The total of the employer-paid portion of your monthly benefit and your new earnings cannot be greater than the current compensation of the position from which you retired. (If it is greater, your retirement benefit will be reduced.)

This earning limitation does **not** end when you reach age 50.

If you are under age 50 and if you are performing duties very similar to those from which you were previously found disabled, CalPERS can reevaluate your medical condition to determine if you should be reinstated from disability retirement.

To request approval to work for a CalPERS employer and continue your disability retirement benefits, you must:

- Complete and sign Section 1 of the ***Request To Work While Receiving Disability/Industrial Disability Retirement Benefits (Over 960 Hours)*** form provided in this booklet.
- Have your prospective employer complete Section 2 of the form, stating their intent to hire you upon CalPERS approval. Your employer must attach a copy of the current job description for the position you will be in.
- Provide a medical report from your treating physician who specializes in your disabling condition, stating that they have examined you, reviewed the job duty statement, and find that you are able to perform all tasks without restriction or limitation. CalPERS can require an independent medical evaluation to supplement your doctor's report. If so, we will select the physician, schedule the appointment, and pay for the examination.

Note: If you were retired from a local safety position, and want to request employment into any local safety position, you must submit your request to the public agency from which you retired.

How to Reach CalPERS

Reaching Us by Phone

Toll Free at 888 CalPERS (or 888-225-7377)
Monday thru Friday 8:00 a.m. to 5:00 p.m.
TTY: For Speech & Hearing Impaired:
(916) 795-3240

Visit Your Nearest CalPERS Regional Office

Directions to our Regional Offices can be found on the CalPERS Web site.
Monday thru Friday 8:00 a.m. to 5:00 p.m.

Fresno Regional Office

10 River Park Place East, Suite 230
Fresno, CA 93720

Glendale Regional Office

Glendale Plaza
655 North Central Avenue, Suite 1400
Glendale, CA 91203

Orange Regional Office

500 North State College Blvd., Suite 75
Orange, CA 92868

Sacramento Regional Office

400 Q Street
Sacramento, CA 95814

San Bernardino Regional Office

650 East Hospitality Lane, Suite 330
San Bernardino, CA 92408

San Diego Regional Office

7676 Hazard Center Drive, Suite 350
San Diego, CA 92108

San Francisco Regional Office

301 Howard Street, Suite 2020
San Francisco, CA 94105

San Jose Regional Office

181 Metro Drive, Suite 520
San Jose, CA 95110

Reaching Us Online

CalPERS On-Line

www.calpers.ca.gov



Request To Work While Receiving Disability/ Industrial Disability Retirement Benefits

888 CalPERS (or 888-225-7377) • TTY: For Speech & Hearing Impaired: (916) 795-3240

You must complete this form in order to request approval to work for a CalPERS employer while continuing your disability retirement benefits.

Section 1

When completing this form, please be sure to print the requested information.

Member Certification

Name of Retiree (First Name, Middle Initial, Last Name) Social Security Number
Address
City State ZIP Code Daytime Phone

This is a formal request for reemployment under Government Code Section 21228, while remaining a disability retiree from my former position. I understand that the position must be significantly different than the one from which I am retired, and that I am subject to an earnings limitation so that the total of the pension portion of my retirement allowance and the new earnings will not exceed the current (gross) salary of the former job from which I retired. I also understand that I must keep CalPERS advised of any changes to my salary or employment.

I understand that I must submit a medical report signed by my physician certifying that they have examined me, reviewed the position duty statement, and find that I am able to perform all the tasks without restriction or limitation.

Employer Name Job Title Proposed Hire Date (mm/dd/yyyy)
Address
City State ZIP Code
Signature Date (mm/dd/yyyy) Daytime Phone

Section 2

Employer Certification

Duty Statement
Your employer must attach a copy of the current job description for the position to which you are requesting to work.

It is the intent of _____ to hire _____
Employer CalPERS Retiree
for the position of _____ pursuant of Government Code Section 21228.
Job Title

This offer is contingent upon written approval from CalPERS.

Employer Signature Date (mm/dd/yyyy) Daytime Phone
Print Name Title

Mail to:

CalPERS Benefit Services Division • P.O. Box 2796, Sacramento, California 95812-2796

While reading this material, remember that we are governed by the California Public Employees' Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.



California Public Employees' Retirement System

400 Q Street
Sacramento, California 95814

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www.calpers.ca.gov

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